## UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

# If you purchased certain baby products from Babies "R" Us or Toys "R" Us, an amended class action settlement may affect you.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

 An Amended Settlement will provide up to \$35.5 million to consumers who purchased the following baby products from Babies "R" Us or Toys "R" Us in the U.S.:

Product:	Purchased between:
BabyBjörn baby carrier	2/2/00 - 4/30/05
Britax car seat	1/1/99 - 1/31/11
any Kids Line product	1/1/99 - 12/31/06
Maclaren stroller	10/1/99 - 1/31/11
Medela Pump In Style breast pump	7/1/99 - 1/31/11
Peg Perego car seat	7/1/99 - 1/31/11
Peg Perego high chair	7/1/99 - 1/31/11
Peg Perego stroller	7/1/99 - 1/31/11

A prior notice of proposed class action settlement was disseminated to Class Members in 2011. Your legal rights
are affected whether you act or don't act. Read this notice carefully.

You	JR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
PREVIOUSLY SUBMITTED OR NOW SUBMIT A CLAIM FORM SUPPORTED BY DOCUMENTARY PROOF OF PURCHASE(S)	Unless you have been identified from records of Babies "R" Us as a Class Member, this is the only way to get a payment.	
PREVIOUSLY EXCLUDED YOURSELF FROM THE CLASS OR EXCLUDE YOURSELF FROM THE CLASS NOW	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Babies "R" Us and the baby product manufacturers above about the legal claims in this case. If you previously excluded yourself from the Class, you may revoke your exclusion.	
ОВЈЕСТ	Write to the Court about the fairness of the Amended Settlement.	
GO TO A HEARING	Ask to speak in Court about the fairness of the Amended Settlement.	
Do Nothing	If you received a postcard or e-mail notice of this Amended Settlement, then you were identified as a Class Member from the records of Babies "R" Us or you previously submitted a claim form or requested exclusion in response to the Initial Settlement. You may receive payment without taking further action unless: (i) you previously submitted a claim form without supporting documentary proof of purchase; or (ii) you requested exclusion.  If you received a postcard or e-mail notice of this Amended Settlement, but did not submit supporting documentary proof of purchase(s) with your previously submitted claim form, if you do nothing, you will get no payment and give up rights.	
	If you did not receive a postcard or e-mail notice of this Amended Settlement, then if you do nothing, you will get no payment and give up rights.	

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- Your rights and options and the deadlines to exercise them are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Amended Settlement. Payments will be made if the Court approves the Amended Settlement and after any appeals are resolved. Please be patient.

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## I. BASIC INFORMATION

## 1. What is the purpose of this Notice?

You may have purchased an eligible baby product from Babies "R" Us. The Court approved this Notice because if you have purchased certain baby products, you have a right to know about a proposed settlement of a lawsuit before the Court decides whether to approve the Amended Settlement.

This Notice explains the lawsuit, the Amended Settlement, your legal rights, how to opt out of the Amended Settlement, what benefits are available, who is eligible for them, and how to get them. Receipt of this Notice does not necessarily mean that you are entitled to receive money from the Amended Settlement.

The Court in charge of the case is the United States District Court for the Eastern District of Pennsylvania (referred to throughout as either "Court" or "District Court"), and the cases are known as *McDonough v. Toys 'R' Us, et al.*, No. 2:06-cv-0242-AB and *Elliott v. Toys 'R' Us, et al.*, No. 2:09-cv-06151-AB. The people who brought these cases are called Plaintiffs, and the companies that they sued are called the Defendants.

## What are these lawsuits about?

Two groups of consumers sued Toys "R" Us, Inc. doing business as Babies "R" Us; Babies "R" Us, Inc.; Toys "R" Us-Delaware, Inc. (collectively referred to as "Babies "R" Us"); BabyBjörn AB ("BabyBjörn"); Britax Child Safety, Inc. ("Britax"); Kids Line, LLC ("Kids Line"); Maclaren USA, Inc. n/k/a American Baby Products, Inc. ("Maclaren"); Medela, Inc. ("Medela"); Peg Perego U.S.A., Inc. ("Peg Perego"); and Regal Lager, Inc. ("Regal Lager"), who was Baby Björn's distributor. The consumers claimed that Babies "R" Us conspired with each of these manufacturers to implement and enforce policies that would prevent the discounting of certain baby products.

The consumers argued that the alleged conduct suppressed or eliminated competition that Babies "R" Us faced from Internet retailers in violation of federal antitrust laws. As a result, the consumers claim that Babies "R" Us overcharged consumers for these products.

The companies being sued in these lawsuits dispute these claims. They deny engaging in any conspiracies or any other unlawful conduct. No court or other authority has found that the Defendants participated in any wrongdoing.

#### 3. What is a class action?

In a class action lawsuit, one or more people called "Class Representatives" sue on behalf of people who have similar claims. All of these people are called a "Class," and they are individually called a "Class Member." In these lawsuits, there are "Subclasses" based on the kind of baby product a Class Member purchased. People who purchased more than one relevant baby product will be a member of more than one Subclass. One court resolves the issues for all of the Class Members—except for those people who choose to exclude themselves. U.S. District Court Senior Judge Anita B. Brody is overseeing these class action lawsuits.

#### 4. What is the current status of the lawsuits?

Several lawsuits were originally filed in early 2006, and the cases were combined with the *McDonough* class action lawsuit. On December 28, 2009, the *Elliott* class action lawsuit was also filed before Judge Brody. On January 21, 2011, the Plaintiffs and Defendants in both lawsuits agreed to combine and settle both cases together (referred to throughout as the "Initial Settlement," "Initial Agreement" or "Initial Settlement Agreement"). On or about December 21, 2011, the District Court approved the proposed Initial Settlement Agreement and overruled all objections to the Initial Settlement. Thereafter, certain objectors appealed the denial of their objection to the United States Court of Appeals for the Third Circuit. On February 19, 2013, the appellate court vacated the District Court's approval of the proposed Initial Settlement and sent the case back to the District Court. On \_\_\_\_\_\_\_, the District Court gave preliminary approval to the Fourth Amended Settlement Agreement (referred to throughout as the "Amended Settlement").

## 5. Why did the Plaintiffs and Defendants agree to settle?

Although the Court has not ruled on the merits of the Plaintiffs' claims, the Plaintiffs agreed to settle the lawsuits with Babies "R" Us, BabyBjörn, Britax, Kids Line, Maclaren, Medela, Peg Perego, and Regal Lager. Based on Plaintiffs' lawyers' thorough investigation of the facts and the laws relevant to the lawsuit, the Plaintiffs and their lawyers have concluded that the Amended Settlement with the Defendants is in the best interests of the Class Members. Therefore, claims against Babies "R" Us, BabyBjörn, Britax, Kids Line, Maclaren, Medela, Peg Perego, and Regal Lager (the "Defendants") will be released upon Court approval of the Amended Settlement.

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The Defendants still deny that they acted unlawfully in any way and they have vigorously defended against all of the Plaintiffs' claims. The proposed Amended Settlement does not mean in any way that the Defendants admit that any of Plaintiffs' claims are true, and it does not mean that the Court has decided in favor of Plaintiffs or Defendants. The Amended Settlement allows everyone to avoid the substantial costs of a trial and gives the people affected compensation.

#### II. WHO IS IN THE AMENDED SETTLEMENT

## 1. What kinds of purchases qualify me to receive money from the Amended Settlement?

Whether you are a Class Member – and thus eligible to receive money from the settlement – depends on the type of baby product you purchased, where it was purchased, and when it was purchased. If you purchased one or more of the specific baby products from Babies "R" Us or Toys "R" Us during specific time periods, then you are eligible to participate in one or more of the Settlement Subclasses.

#### 2. How do I know if I am a member of a Settlement Subclass?

The Court has preliminarily decided that persons and entities that purchased certain baby products in the United States directly from Babies "R" Us or Toys "R" Us during specific time periods are Class Members. The Class has been separated into subclasses based on the type and manufacturer of the baby product. Excluded from each subclass are any judge, justice or judicial officer presiding over this matter and the members of their immediate families and judicial staffs. You can determine if you are part of one or more of the Settlement Subclasses by using the following chart:

Subclass	Date of Purchase from Babies "R" Us or Toys "R" Us	Product Purchased	Percentage of the Settlement Amount that the Entire Subclass May Receive
BABYBJÖRN SUBCLASS	February 2, 2000 through April 30, 2005	Any BabyBjörn baby carrier	6%
BRITAX SUBCLASS	January 1, 1999 through January 31, 2011	Any Britax car seat	28%
KIDS LINE SUBCLASS	January 1, 1999 through December 31, 2006	Any Kids Line Product	21%
MACLAREN SUBCLASS	October 1, 1999 through January 31, 2011	Any Maclaren stroller	7%
MEDELA SUBCLASS	July 1, 1999 through January 31, 2011	Any Medela Pump in Style breast pump	22%
PEG PEREGO CAR SEAT SUBCLASS	July 1, 1999 through January 31, 2011	Any Peg Perego car seat	3%
PEG PEREGO HIGH CHAIR SUBCLASS	July 1, 1999 through January 31, 2011	Any Peg Perego high chair	4%
PEG PEREGO STROLLER SUBCLASS	July 1, 1999 through January 31, 2011	Any Peg Perego stroller	9%

## 3. Can I be in more than one Settlement Subclass?

Yes. If you fit into the definition of more than one of the Settlement Subclasses, then you are a member of more than one Settlement Subclass, unless you have excluded yourself or exclude yourself now from one or more of them.

## 4. What if I still do not know whether I am a member of one or more of the Settlement Subclasses?

If you still do not know whether you are included in one or more of the Settlement Subclasses, you can ask for free help. You can visit <a href="https://www.babyproductsantitrustsettlement.com">www.babyproductsantitrustsettlement.com</a>, call 1-888-292-8492, or write to:

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Dublin, Ohio 43017-4979

#### III. THE SETTLEMENT BENEFITS

## 1. How will the funds from the Amended Settlement be distributed?

Settlement funds will be distributed only after the Court approves the Amended Settlement and the proposed distribution of the money among the subclasses.

The funds from the Amended Settlement have been deposited into an interest-bearing escrow account. Such settlement funds, less any amounts approved by the Court for payment of attorneys' fees, reimbursement of litigation expenses, and incentive awards to Settlement Subclass Representatives, will be apportioned among the Settlement Subclasses in accordance with an amended Allocation Order to be entered by the Court. Each Settlement Subclass Member will be eligible to receive proceeds from the Individual Settlement Fund(s) for the Settlement Subclass(es) in which he or she is a member.

For each Settlement Subclass, the Individual Settlement Fund will be distributed to members of that Settlement Subclass who did not and do not now request exclusion from that subclass and: (i) previously submitted a valid Claim Form supported by documentary proof of purchase(s) in response to the notice of the Initial Settlement Agreement ("Initial Notice"); (ii) now submit a valid Claim Form supported by documentary proof of purchase(s) in response to this Notice; or (iii) have been identified from records of Babies "R" Us (collectively, "Authorized Claimants"). It will be within the discretion of the Claims Administrator to determine what constitutes appropriate documentary proof, but examples of the types of documents that may suffice include, but are not limited to: receipts, cancelled checks, credit card statements, photographs, or corroborating, sworn affidavits from two other people.

Authorized Claimants who previously submitted or now submit documents that the Claims Administrator determines are valid proof of purchase and purchase price shall be entitled to a payment from each Settlement Subclass Fund for which they are eligible in the amount of 20 percent of their actual purchase price of each Settlement Product, subject to certain enhancements or reductions.

Authorized Claimants who: (i) previously submitted or now submit documents that the Claims Administrator determines are valid proofs of purchase but did not or do not now submit proof of an actual purchase price; or (ii) for whom Babies "R" Us has provided records of a valid proof of purchase to the Claims Administrator shall be entitled to a payment from each Settlement Subclass Fund for which they are eligible in the amount of 20 percent of the estimated retail price (as calculated by Class Counsel) of each Settlement Product, subject to certain enhancements or reductions.

In any case, the amount of an Authorized Claimant's distribution may not exceed three times the approved claims for each Authorized Claimant. If you are a member of more than one Settlement Subclass, you are eligible to receive settlement proceeds based on your membership in each Settlement Subclass.

Once the Court grants final approval to the Amended Settlement, the distribution will take place as soon as practicable after review, determination, and audit of the Claim Forms by the Claims Administrator and approval by the Court of the Claims Administrator's recommendations as to the specific amounts to be paid to the Claimants.

Once the deadlines for Settlement Class Members to submit Claim Forms has passed, the Claims Administrator will determine if the claims of Authorized Claimants would exhaust any of the Individual Settlement Funds. As further described in the proposed amended Allocation Order, in the event that there are excess funds allocated to one or more of the Settlement Subclasses after the claims are satisfied, any such excess funds will be reallocated to exhausted Individual Settlement Funds and, subsequently, to provide up to three times each claimant's approved claim.

## 2. From which Individual Settlement Funds am I eligible to receive money?

If you are a member of one or more of the Settlement Subclasses, you are eligible to receive a distribution from the Individual Settlement Fund for each Settlement Subclass of which you are a member.

## 3. How will the proceeds from the Individual Settlement Funds be distributed?

Each Individual Settlement Fund will be distributed to members of the respective Settlement Subclasses who did not or do not now request exclusion (or who revoke a previous request for exclusion) and: (i) who file a valid Claim Form supported by documentary proof of purchase(s); (ii) who previously filed a valid Claim Form supported by documentary proof of purchase(s) in response to the Initial Agreement; or (iii) who have been identified from records of Babies "R" Us. The distribution will be made pursuant to an allocation order to be entered by the Court, the proposed form of which is available at www.babyproductsantitrustsettlement.com.

## 4. What does the proposed Amended Settlement and proposed allocation provide to the Settlement Subclasses?

As part of the proposed settlement, the Released Defendants agreed to make payments totaling \$35,500,000 to the Settlement Fund. Class Counsel and Plaintiffs propose to allocate the Net Settlement Fund—after payments of attorneys' fees, reimbursement of litigation expenses, and incentive awards to Settlement Class Representatives—among each Settlement Subclass based upon the percentage of the overall estimated alleged damages each Settlement Subclass represents. The proposed allocations are described in the chart in Part II and may be adjusted by the Court or as described in the allocation order.

In addition to the initial Distribution described in Section III (1) ("Initial Distribution"), it is possible that members of the Settlement Subclasses may also receive coupons if they did not receive the maximum distribution allowed in the Initial Distribution and have provided, or the Claims Administrator already has, their email addresses. Coupons up to the total cumulative amount of Settlement Funds remaining after the Initial Distribution as a result of uncashed checks or other remaining funds, which funds shall be returned to Defendants, will be e-mailed to Authorized Claimants who have cashed or deposited the Settlement Funds distributed in the Initial Distribution and have not received the maximum distribution allowed under the Amended Settlement. The coupons will be eligible for use in connection with purchase of the products at issue in these lawsuits. Once distributed, the coupons are fully transferrable.

In exchange, Settlement Class Members give up all legal rights to sue Babies "R" Us, BabyBjörn, Britax, Kids Line, Maclaren, Medela, and Peg Perego and Regal Lager for the claims in the *McDonough* and *Elliott* cases. These Defendants have made their agreed upon contributions to the Settlement Fund and will be released from all claims of Class Members for all purchases of relevant baby products during the respective Settlement Subclass periods as more fully described in the Release and Discharge provisions contained in the Settlement Agreement. Even if you choose to object, attend the Fairness Hearing, hire your own lawyer or do nothing at all, if you are a Class Member you will be bound by the Amended Settlement Agreement unless you previously requested exclusion or properly request exclusion now.

## IV. SUBMITTING A CLAIM FORM

1. How do I receive money from the Amended Settlement?

You will obtain money from the Amended Settlement if you are a member of a Settlement Subclass, you did not or do not now request exclusion (or you revoke a previous request for exclusion), and you: (i) previously submitted a valid Claim Form supported by documentary proof of purchase(s) in response to the Initial Notice; (ii) now submit a valid Claim Form supported by documentary proof of purchase(s) in response to this Notice; or (iii) have been identified as a Class Member from records of Babies "R" Us (collectively, "Authorized Claimant(s)"). This Notice and the Claim Form are available at <a href="https://www.babyproductsantitrustsettlement.com">www.babyproductsantitrustsettlement.com</a>. If you belong to more than one Settlement Subclass, you only need to submit one Claim Form.

Even if you believe Babies "R" Us may possess records that identify you as a Class Member, it is possible that Babies "R" Us does not have records for all of your purchases. You should therefore still submit a Claim Form for all of your purchases.

Your Claim Form must be postmarked, faxed, or submitted online by August 22, 2014. Any member of any Settlement Subclass that does not complete and timely return the Claim Form or was not identified as a Class Member from records of Babies "R" Us will not be entitled to share in any settlement proceeds unless the Court permits otherwise.

Please mail, fax or email your completed Claim Form to:

Baby Products Antitrust Litigation c/o The Garden City Group, Inc. P.O. Box 9679 Dublin, Ohio 43017-4979 Fax: 1-888-476-7153

Email: Questions@babyproductsantitrustsettlement.com

WARNING: There are companies that <u>may</u> contact Class Members upon learning of a pending class action distribution and offer to help Class Members file claim forms in exchange for a share of the money that the Class Members may ultimately recover. Please be advised that you do not need to use one of these companies.

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Assistance is available from the Claims Administrator at no cost to you.

## V. THE LAWYERS AND CONSUMERS REPRESENTING YOU

## 1. Do I have a lawyer in this case?

Yes. The Court has appointed the following law firms to represent the Settlement Subclasses:

Market Street, Suite 2500 Oak Park, IL 60301-1043 270 Madison Avenue New York, NY 10016	SPECTOR, ROSEMAN, KODROFF & WILLIS, P.C. 1818 Market Street, Suite 2500 Philadelphia, PA 19103 (215) 496-0300	1144 West Lake Street, Suite 400 Oak Park, IL 60301-1043 (708) 628-4949	New York, NY 10016	
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These three firms are referred to as "Class Counsel." They are experienced in handling antitrust class actions. More information about these law firms, their practices, and their lawyers' experience is available at their websites.

You will not be personally charged for the services of Class Counsel in litigating these cases. You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own expense.

## 2. How will the lawyers be paid?

Since they filed this case, Class Counsel has not received any payment for their services in prosecuting the lawsuit, nor have they been reimbursed for any out-of-pocket expenses. If the Court approves the proposed Amended Settlement, Class Counsel will ask the Court to award them fees of up to 33 1/3 % of the settlement, plus reimbursement of expenses that they incurred in litigation and administering the settlement fund. After this motion is filed with the Court, a copy of this motion will be available at <a href="https://www.babyproductsantitrustsettlement.com">www.babyproductsantitrustsettlement.com</a>. Defendants have agreed not to oppose such an award of fees and expenses.

Any attorneys' fees and reimbursement of litigation expenses will be awarded only as approved by the Court in amounts determined to be fair and reasonable. If you wish to object to the petition for attorneys' fees and reimbursement of litigation expenses, you may do so, but only by following the instructions in Part VI.

## 3. Will the Plaintiffs receive anything for the time and effort they contributed to the lawsuit?

Yes. The *McDonough* lawsuit was filed by Plaintiffs Carol McDonough, Sara Shuck, Lawrence McNally, Melissa Nuttall, Julie Lindemann, Stephanie Bozzo, Darcy Trzupek and Yossi Zarfati. The *Elliott* lawsuit was filed by Plaintiffs Ariel Elliott, Beth Hellman, Christine Brooke Logan, Kristi Monville, Sarah Otazo, Kelly Pollock, and Elizabeth Starkman.

As part of the settlement, Class Counsel will ask the Court to award the Plaintiffs \$2,500.00 each for the time and effort they contributed to the prosecution of this litigation. These awards would be paid from the settlement.

## VI. OBJECTING TO THE AMENDED SETTLEMENT

## 1. How do I object to the Amended Settlement?

Only members of one or more of the eight Settlement Subclasses who do not request exclusion from the settlement may object. Members can object to (1) the proposed Settlement Subclass allocations or distributions; (2) Class Counsel's request for an award of attorney's fees and reimbursement of litigation expenses; (3) Class Counsel's request for incentive awards for the Plaintiffs; or (4) anything else about the proposed settlement.